

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
FILING OF HENDERSON COUNTY)	CASE. 2011-00130
WATER DISTRICT)	

ORDER

On April 11, 2011, Henderson County Water District ("Henderson County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Henderson County purchases water from the city of Henderson ("Henderson").
2. Henderson notified Henderson County that, effective with the first billing after March 31, 2011, Henderson's wholesale water rate would decrease in the North area from \$2.1119 per 1,000 gallons to \$1.9618 per 1,000 gallons and increase in the South area from \$2.1833 per 1,000 gallons to \$2.7630 per 1,000 gallons.
3. Henderson County proposed a purchased water adjustment factor of (\$0.17892402) per 1,000 gallons.
4. Henderson County proposed an effective date of May 1, 2011.

¹ KRS 278.015 ; 807 KAR 5:068.

5. During the 12 months ending December 31, 2009, Henderson County purchased 547,745,560 gallons of water from Henderson's North area, 13,509,000 gallons from Henderson's South area, and sold 415,737,571 gallons. The decrease in the cost of purchased water is (\$74,385.44), resulting in a purchased water adjustment factor of (\$0.18) per 1,000 gallons.

6. Because a purchased water adjustment factor calculated to the thousandths place will create administrative problems and result in customer confusion, the factor should only be calculated to the hundredths place.

7. The purchased water adjustment factor of (\$0.18) per 1,000 gallons is fair, just, and reasonable and should be approved.

8. Using the purchased water adjustment factor that it determined, Henderson County misapplied that adjustment factor to its current rates when calculating the proposed rates.

9. The rates in Appendix B are fair, just, and reasonable and should be approved for service that Henderson County renders on and after May 1, 2011.

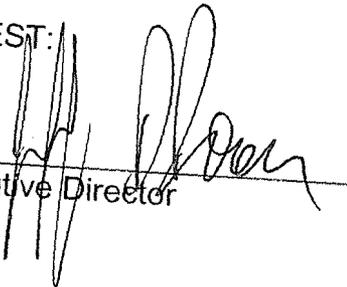
IT IS THEREFORE ORDERED that:

1. The rates proposed by Henderson County are denied.
2. The purchased water adjustment factor of (\$0.18) per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service rendered on or after May 1, 2011.
4. Within 20 days of the date of this Order, Henderson County shall file revised tariff sheets with the Commission showing the rates approved herein.

By the Commission

ENTERED 
MAY 05 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2011-00130

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00130 DATED **MAY 05 2011**

North Area	New Rate	Base Rate
Purchases in gallons	547,745,560	547,745,560
Volumetric rate	<u>\$1.9618 /1,000</u>	<u>\$2.1119/1,000</u>
	\$ 1,074,567.24	\$1,156,783.85

South Area	New Rate	Base Rate
Purchases in gallons	13,509,000	13,509,000
Volumetric rate	<u>\$2.7630 /1,000</u>	<u>\$2.1833/1,000</u>
	\$ 37,325.37	\$ 29,494.20

Totals	\$1,111,892.61	\$1,186,278.05
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Decreased water cost	\$ 74,385.44
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Decreased water cost	\$ 74,385.44
Divided by gallons sold	<u>415,737,571</u>
Purchased water adjustment factor	(\$0.18) per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00130 DATED **MAY 05 2011**

The following rates and charges are prescribed for the customers in the area served by Henderson County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 Inch x 3/4 Inch Meter

First	2,000 gallons	\$ 15.45 Minimum Bill
Next	8,000 gallons	5.36 per 1,000 gallons
Next	20,000 gallons	4.89 per 1,000 gallons
Over	30,000 gallons	4.43 per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$ 31.53 Minimum Bill
Next	5,000 gallons	5.36 per 1,000 gallons
Next	20,000 gallons	4.89 per 1,000 gallons
Over	30,000 gallons	4.43 per 1,000 gallons

2 Inch Meter

First	16,000 gallons	\$ 87.67 Minimum Bill
Next	14,000 gallons	4.89 per 1,000 gallons
Over	30,000 gallons	4.43 per 1,000 gallons

3 Inch Meter

First	30,000 gallons	\$ 156.13 Minimum Bill
Over	30,000 gallons	4.43 per 1,000 gallons

4 Inch Meter

First	50,000 gallons	\$ 244.73 Minimum Bill
Over	50,000 gallons	4.43 per 1,000 gallons

6 Inch Meter

First	100,000 gallons	\$ 466.23 Minimum Bill
Over	100,000 gallons	4.43 per 1,000 gallons

Volunteer Fire Departments (Metered Services)

Flat Rate \$ 15.45 Maximum Bill

The monthly charge for water usage in excess of the respective minimum water rates set out above shall be computed in increments of 10 gallons. Accordingly, a customer having a 5/8 inch meter who consumes at least 2,010 gallons of water and not more than 2,019 gallons of water in any month shall pay the amount of \$15.50 for the month (\$15.45 plus \$0.05). A customer having a 5/8 inch meter who consumes at least 2,020 and not more than 2,029 gallons of water in any month shall pay the amount of \$15.56 for that month (\$15.45 plus \$0.11).

THE BASE RATE FOR PURCHASED WATER SHALL BE:

<u>Supplier</u>	<u>Rate</u>
Henderson Water Utilities (North) PWSID # 0510188	\$1.9618 Per 1,000 Gallons
Henderson Water Utilities (South) PWSID # 0510510	\$2.7630 Per 1,000 Gallons

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